

in following the detailed discussion contained in the main body of

CHAPTER I.

SUMMARY

The Committee believes that it will be helpful ^{to the readers of ~~this~~ Report} to have at the ^{outset} ~~threshold~~ of the main body of the Report a brief summary of the approach of the Committee to the problem which it ~~has~~ ^{was} ~~been~~ assigned to investigate and of the Committee's principal findings and conclusions. This summary is in no ~~Sense~~ ^{way} intended to take the place of the detailed statement of the findings and conclusions of the Committee which is contained in Chapter _____. ~~It seeks merely to provide a birdseye view of the whole Report which, in our belief, should aid the reader in following the point-by-point discussion contained in the Report.~~ ^{contained in the following chapters.}

~~The Committee began its study with a consideration of the nature of the intelligence problem. This involves a review of the history of intelligence in the United States in World War I and the period between World War I and the outbreak of World War II; the traditional attitude of the United States towards intelligence during that period; the changes which began with World War II and intensified with the entrance of the United States into that war and finally, the situation in which the United States finds itself in the period from the formal close of World War II down to date. Basis to any such review~~

-2-

of the nature of the intelligence problem is a discussion of the need of the United States for an adequate intelligence system today in the face of a tense world situation and the will of the people of the United States as expressed by Congress and its Executive Government to achieve this goal.

The immediate object of the Committee's study and the focal point of its attack upon the overall intelligence problem of the United States has been the Central Intelligence Agency ~~hereinafter referred to as~~ [CIA], its organization and its activities. As a necessary corollary the Committee has had to go into the activities of other governmental intelligence agencies ~~of the United States~~ - at least to the extent that they bear upon the carrying out by the CIA of its assigned functions.

The Committee's Approach
To Its Study of CIA

After a brief review of the background and history of the concept of a central intelligence agency, [we begin our consideration of the CIA with an analysis of the statute pursuant to which it was created.] d

CIA is set up by Section 102(1) of the National Security Act as an independent agency under the direction of the National Security Council. ^{NSC} The ~~Council~~ ^{NSC} in turn, is the top policy-making body ~~contained~~ within the entire national security organization established by the Act.

-3-

Margin

The National Security Act as implemented by directives of the National Security Council imposes upon CIA responsibility for carrying out three essential functions. These are: ^{1st} ~~First~~, the coordination of intelligence activities; ^{2nd} ~~second~~, the coordination of intelligence relating to the national security, and ^{3rd} ~~third~~, the performance centrally of certain services of common concern to the other intelligence agencies of the Government.

~~The Committee finds that~~ The National Security Act as implemented by the directives of the National Security Council sets forth a framework upon which a sound and adequate intelligence system can be built. Accordingly, ^{we have} ~~the Committee has~~ taken the three essential functions which CIA is charged with carrying out as the frame of reference for ^{our} ~~its~~ examination of CIA and of the activities of other intelligence agencies of Government in relation to CIA.

^{We have} ~~The Committee has~~ considered the position of CIA within the National Security organization and ^{in our view} ~~sinds~~ ~~that~~ it is properly situated for the effective carrying out of its assigned function. ^{We} ~~The Committee recommends, however,~~ that CIA be empowered and encouraged to establish through its Director closer liaison with the two members of the National Security Council upon which it is mostly

-4-

dependent - the Secretary of State and the Secretary of Defense, [Chap. II]

The Organization and Administration of CIA.

A chart of the existing organization of CIA is annexed _____ to the main body of the Report. Under the National Security Act the Director is given broad powers and responsibility for setting up the organization of the CIA.

The principal criticism which the Committee has to make of the present organization of CIA is that it does not reflect a sufficient understanding or appreciation of the Agency's assigned functions. Any attempt to determine these functions from the organization of CIA would necessarily result in a blurred and confused picture. This is the major defect in the existing organization of CIA.

Additionally, in Chapter III the Committee has examined and appraised the various problems of the administration of CIA exclusive of its top direction (which is discussed in Chapter X) in respect of its general administrative efficiency, its personnel and its budget. The Committee has also examined in this chapter the problem of CIA's security. Here the Committee finds

-5-

CIA has a most serious problem in that the Agency has been widely publicized and has come to be known as a secret intelligence organization. This is not only true generally but there have been as well specific and important breaches of security which have aggravated the general and, in the view of the Committee, unfortunate trend. The Committee feels that the leadership of CIA must share in the responsibility for certain specific breaches of security.

CIA's Responsibility for Co-ordinating Intelligence Activities.

SA → Under the statute CIA's function of the coordinating intelligence activities is to be exercised by making recommendations to the National Security Council with respect to such coordination. ^{NSC} ~~The~~ Committee believes ^{to be} that the statutory authorization is sufficient, and that CIA has available to it within its own organization, administrative machinery which ought to be adequate to ^{carry} ~~do~~ out its function of coordination. ^{the job} ~~The~~ Committee does not feel, however, that the ^{responsibility of CIA} ~~job~~ is being adequately ^{met at the present time} ~~done~~.

^{which have been} ~~The~~ directives, which have been recommended ^{NSC upon CIA's recommendation, & apt} and issued by the Security Council, in so far as they provide for the performance by CIA of a few specific common services, are couched in extremely general terms and make no substantial contribution to real coordination.

-6-

TH There is little evidence that the direction of CIA, or even those ^{groups} ~~provisions~~ within CIA specifically charged with that duty, ~~is~~ making any continuing and intensive effort to sharpen existing directives ^{and thereby} as well as by consultation and cooperation between the interested parties to achieve real coordination of specific intelligence activities. There appears to be within the CIA no appreciation that the coordination of intelligence activities is one of the three major functions assigned to the Agency to which those continuing efforts should be devoted in a substantial measure.

GA → ~~The inevitable result is that there are many intelligence activities being carried on by various agencies of Government which are completely uncoordinated and that necessarily entail wasteful and sometimes dangerous duplication. This duplication is not only harmful in terms of expense but in certain fields where available qualified personnel are extremely limited it may as well be harmful in terms of the efficiency of the collecting operation. The scientific field which under present-day conditions has a high, if not top priority of importance is an example of this.~~

~~In other fields where the duplication is less than complete the consequent uncoordinated overlapping may seriously interfere with the effectiveness of the work of the agencies involved. An example is found in the present~~

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8

-7-

OAC for winter an appropriate machinery for this.

~~geographically divided responsibility of CIA and the Federal Bureau of Investigation with respect to counter-espionage. Indeed, this is but one of the points in respect of which the domestic activities of the FBI which at present lies entirely outside the existing machinery for the coordination of intelligence need to be coordinated with foreign activities of CIA.~~

In order to assure the fullest possible discharge by CIA of its function of coordinating activities, the Committee recommends that there be set up within CIA a ^(reconstituted ICAPS) staff responsible directly to the Director ^{and} charged with carrying on, on a full time basis, continuous ^{planning} ~~plans~~ for coordination of specific intelligence activities. This staff should be recognized by the Director as his major support in fulfilling one of his most important and difficult assignments under the National Security Act. ^{II} Additionally, the intelligence agencies of the several departments of Government must share in the general responsibility for carrying out effective coordination by far more active participation under the leadership of the Director of CIA in the work of the presently constituted Intelligence ^{sub. II} ~~Advisory Committee~~ in this ~~field~~. ^{II} Finally, in order to meet the specific problem presented by the present uncoordinated activities of the FBI, it is recommended that the Director of the FBI be made a permanent member of IAC,

-8-

8A →

In leaving this point, the Committee wishes to note its belief that coordination is most effectively achieved by agreement between the agencies to be coordinated, rather than by superimposed directive and that if leadership is supplied by CIA a major measure of coordination will be accomplished in that manner

CIA's Responsibility for the
Coordination of Intelligence
Relating to the National
Security.

A long-felt need for the continuing coordination on the highest level of intelligence ^{opinion} ~~often~~ relating to broad aspects of national policy and national security was probably the principal moving factor in bringing about the creation of CIA and its predecessor organization, Central Intelligence Group. The lack of any provisions for the production of coordinated national intelligence of this kind was one of the most significant ^{causes} ~~aspects~~ of the Pearl Harbor intelligence failure.

Ideally, this type of national intelligence should be produced in the form of coordinated national estimates of such scope and breadth as to transcend the interest and competence of any single intelligence agency.

^{Such estimates, to be}
~~but, by the same token, they must thereby authoritative~~
^{must}
be fully participated in by all of the principal intelligence

-9-

(and in the case of these summaries, this is doubtful),

agencies and all jointly should share in responsibility for ~~the~~ ^{them} ~~ultimate estimate~~.

With one or two significant exceptions whose occurrence was largely fortuitous, it appears that CIA has not effectively carried out this ~~possibly~~ most important ~~single~~ function, ~~assigned to it~~. The Office of Reports and Estimates (hereinafter referred to as ORE) ~~which~~ is the office within the CIA to which responsibility for production of ^(national) intelligence is presently allocated. ~~It~~ is a large sprawling organization concerned with a variety of activities. ~~Thus, ORE produces a number of reports such as the daily and weekly summaries which are now produced in competition with similar reports produced by various other intelligence agencies and which, if they are to be produced at all, by ORE, ought to be produced as a common service. Where ORE produces intelligence estimates, it does so on the basis of its own research and analysis and offers its product as competitive with the similar product of other agencies, rather than as the coordinated result of the best intelligence product which each of the interested agencies is able to contribute. The failure of this type of intelligence product to meet the requirements of a ~~true~~ coordinated national estimate is not substantially mitigated by the existing procedure whereby ORE circulates its estimates to intelligence~~ ^{of State, Army Navy and Air} ~~approved for release 2003/05/27 : CIA-RDP86B00269R000500050102-8~~ ^{obtains}

start pg 7
Not in

This group might appropriately be called the
"Estimates Division" of CIA.
-10-

the dissent
~~a formal~~ notation of ~~the dissent or~~ concurrence, ~~or in~~
~~some cases, abstention from voting~~ of each such agency.

It is apparent that under this procedure none of the agencies ~~thus "voting"~~ regards itself as a full participant contributing to *a truly national estimate* ~~the intelligence product~~ and accepting a share in the responsibility for it.

It is believed that this situation can be remedied only by the CIA recognizing the responsibility which it has under the statute and assuming the leadership in organizing its own internal structure and the intelligence agencies of Government *for* the production of coordinated national estimates. Within its own organization CIA ought to have, in lieu of the present ORE, a small group of highly selected individuals whose task it would be to draw upon and review specialized intelligence products of other intelligence agencies in order to prepare *subject to* ~~for final~~ discussion and approval by IAC a finished national intelligence estimate. *X*

The final process of coordination should take place in the IAC. It should, to the greatest extent practicable, consist of actual discussion and review of the proposed estimate in that body conducted under the leadership of the Director of CIA. The finished *estimate* ~~product~~ should be clearly established as the product of all of the contributing agencies in which all share and for which all take responsibility.

-11-

The revised arrangements should also make appropriate provision for the handling of major emergency situations so that there is automatic consultation and collective responsibility when quick estimates are required. Further, the inclusion of FBI as a permanent member of IAC should assure that intelligence appraisals will be made in the light of all available evidence, domestic and foreign. ~~This is not true today as the FBI does not enter into the production of national estimates, even under the limited "voting" procedure and there is no way of telling to what extent information collected by the FBI is taken into account.~~

Performance Centrally of
Services of Common Concern.

The services of common concern which can be and which to a considerable extent are being performed by CIA can be broken down into static services consisting of intelligence research, reporting and estimating services ~~of common concern~~ and operating services consisting of certain types of intelligence collection.

Static Services of Common Concern.

At the present time the static services of intelligence research and reporting are carried out in

-12-

ORE. If ORE's duties in relation to the production of national intelligence are separated out as has been proposed, and assigned to a ~~separate small group~~ ^{newly constituted Estimates Division,} it would seem that the remaining functions presently carried out by ORE and the personnel engaged in them could appropriately be reconstituted as ~~a~~ ^{another and} separate division of CIA.

There are a number of fields, such as economic resources, industrial production, communication, science, technological and numerous others in which every intelligence agency has some interest. At the present there is an extremely noticable duplication in these and other fields of common interest. Centrally produced reports and estimates on ~~these~~ ^{such} matters should result in great economy of effort and improvement of product. ~~Such~~ ^{TT} Such a central research division of CIA should be staffed in part by representatives of the departmental intelligence services in order that the reports and estimates produced would represent the most authoritative and coordinated opinion and be accepted as such by the various consumer agencies. ~~The~~ ^{TT} The planning staff for coordination of activities of the Director of CIA, assisted by the IAC should review the question as to what subjects might appropriately be assigned to the new research division of CIA for central research and report. In particular, the desirability of the continuance of publication by CIA of a number of essentially political summaries which it

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8

-13-

or not such summaries might more appropriately be prepared in and circulated by the State Department which should be better equipped to perform that function.

The new ~~Research~~ ^{Research} Division of CIA would appear to be the logical focal point for the coordination and ~~circulation~~ ^{centralization} of scientific ~~central~~ intelligence. The organization within this division of a scientific branch, staffed by highly qualified personnel and empowered to draw upon the scientific personnel of such organizations of Government as the Research and Development Board and the Atomic Energy Commission for the purpose of dealing with the problems in ~~specialized~~ ^{specialized} fields, is a project which should have the highest priority.

Finally, it is believed that the Director of the newly constituted ~~Research and reports~~ ^{Research} division, together with the ~~Director~~ of the reconstituted ICAPS and the newly formed ~~Estimates~~ ^{Estimates} division should be the immediate staff of the Director of CIA.

Operating Services of Common Concern.

The operating services of common concern presently performed by CIA consist of the collection of overt intelligence which ~~is now done~~ through the Office of Operations, the collection of secret intelligence, which ~~is now done~~ through the Office of Special Operations and the conduct

-14-

of secret operations ~~which is presently done~~ through the Office of Policy Coordination ^(OPC).

It is believed that all of these services are appropriately allocated to CIA. ^{We} ~~The Committee~~ feels, however, that these separate and different operating functions are so essentially inter-related and to a large extent, even inter-dependent, that they ought to ^{have a} ~~be~~ ^{common direction} centralized ~~as to their direction~~ at some point in the organization of CIA, below the Director. ^{It is} ~~the~~ ^{our} further view ~~of the Committee~~ that the general administrative requirements and problems of these operating offices ^{are} of a unique character differ importantly from the corresponding problems of ~~the relatively static offices~~ ^{the divisions of CIA} concerned with coordination and research. Accordingly, ^{we} ~~the Committee~~ feels that ^{performance of administrative services for} ~~the administration of~~ these three operating offices should be centered in a single administrative office which, in turn, would be responsible directly to the official of CIA charged with direction of all three operating services.

It is apparent that if these last two recommendations are carried out, all of the operating services would be combined in one branch or division of CIA which will be self-sufficient as to administration and semi-autonomous under a single directing head who ^{would be} ~~assumedly~~ a deputy or assistant director. This result, ~~the Committee believes would meet to a large extent~~ the

-15-

argument frequently voiced that it is essentially unsound to combine in a single intelligence agency operating and coordinating functions.

This is probably the most important single recommendation the Committee has to make with respect to ~~the three~~ ^{of CIA} operating offices. There are a number of other points, however, in respect of which their operations could be bettered and made more effective.

~~Thus~~ ⁺ Thus, for example, the OSO in its collection of secret intelligence needs to have a much closer liaison with other intelligence agencies, especially those of the military services and of the State Department which are its chief consumers and which should be able to guide, more effectively than they presently do, its collection efforts. Somewhat anomalously, ~~the office concerned with the conduct of secret operations~~ ^{OPC}, because of the circumstances under which it was set up, is ~~well~~ ^{better} situated to obtain a greater degree of such guidance because ~~specific~~ ^{was} provision has been made for ~~its~~ ^{of OPC} direct liaison with the Departments of State and Defense. ~~Actually~~ ^{Realistically}, the need of OSO for this type of liaison is as great, and the ~~of~~ ^{intelligence} activities of these two offices so completely inter-related, that there should be no differentiation in their treatment.

The operating activities of CIA suffer as well from ~~a certain~~ ^{The general} lack of coordination ^{of intelligence activities.} For example, as

~~happens~~ ^{between OSO and the Army in}

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8

**GENERAL ACCOUNTING
OFFICE PREAUDIT**

Certified for payment in the
sum of \$-----

**Comptroller General of the
United States**

By-----

U. S. _____
(Department, bureau, or establishment)

Voucher prepared at _____
(Give place and date)

THE UNITED STATES, Dr.,

T_o _____
(Payee)

Address

Payer's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms ----- % Discount Cash ----- days	Quantity	UNIT PRICE		AMOUNT	
				Cost	Per	Dollars	Cts
		Brought forward from continuation sheet(s)					

Shipped from _____	to _____	Weight _____	Government B/L No. _____	Total _____	_____	_____
--------------------	----------	--------------	--------------------------	-------------	-------	-------

I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with; and that State or local sales taxes are not included in the amounts billed.

(Payee must NOT use this space)

Differences		
-------------	--	--

[illegible][illegible][illegible]

Account verified: correct for		
-------------------------------	--	--

Account Verified, Corrected

(Signature or initials) _____

Contract No. _____ Date _____ Req. No. _____ Date _____ Invoice Rec'd _____

Pursuant to authority vested in me, I certify that the above articles were received in good condition, after due inspection, acceptance, and delivery prior to payment as required by law, or the services were performed as stated; that they were procured under the contract numbered above or the unnumbered contract attached hereto, or that they were procured without written contract, in open market, and with or without advertising, under the circumstances stated in No. _____ of "Method of or Absence of Advertising" shown on reverse hereof, and were necessary for the public service; and that the prices charged are just and reasonable and in accordance with the agreement.

† Approved for \$_____ (Sign original only) _____ †

Title _____

[illegible]

Paid by { Check No. _____ dated _____, 19____, for \$ _____ } on Treasurer of the United States in favor of
 { Cash, \$ _____, on _____, 19____, Payee _____ } payee named above.
 (Sign original only)

(Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be. The name of the person signing must be printed and authority to approve be combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space provided for the signature.

U. S. GOVERNMENT PRINTING OFFICE: 1964 O - 345-000

Approved For Release 2003/05/27 : CIA-RDP86

Per _____

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.
2. (a) After advertising by circular letters sent to dealers.
(b) And by notices posted in public places.
(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(a)(b)" or "2(a)", depending on whether or not notices were posted.)
3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with
5. Without advertising, it being impracticable to secure competition because of

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

16-22903-1

I certify that the long distance calls
enumerated on this voucher were necessary
in the interest of the Government.

X

Mathias F. Correa

ILLEGIB

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8

Next 55 Page(s) In Document Exempt

Approved For Release 2003/05/27 : CIA-RDP86B00269R000500050102-8